

REPORT OF THE COMMITTEE ON WORKFORCE, JOB DEVELOPMENT TRAINING AND OPPORTUNITIES

September 9, 2009

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Collins, Vice Chairman Schneider, Commissioners Gorman and Sims (4)

Absent: Commissioner Suffredin

Also Present: Commissioners Beavers, Butler, Daley and Gainer; Karen S. Crawford, Director, President's Office of Employment Training, Charles Jenrich, Chairman of the Cook County Workforce Investment Board and Albert Pritchett Chairman, Workforce Investment Board

Ladies and Gentlemen:

Your Committee on Workforce, Job Development and Training Opportunities of the Board of Commissioners of Cook County met pursuant to notice on Wednesday, September 9, 2009 at the hour of 10:00 A.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered the following items and upon adoption of this report, the recommendations are as follows:

302413 RESOLUTION REQUESTING REVIEW OF THE PRESIDENT'S OFFICE OF EMPLOYMENT TRAINING (P.O.E.T.) (PROPOSED RESOLUTION). Submitting a Proposed Resolution sponsored by Peter N. Silvestri, John P. Daley and Earlean Collins, County Commissioners.

PROPOSED RESOLUTION

WHEREAS, the President's Office of Employment Training (POET) was established to offer job training services and programs to assist residents in the search for employment and to help them enhance existing job skills; and

WHEREAS, the Illinois Department of Commerce and Economic Opportunity is freezing \$2.35 million in grant money for POET after a probe raised questions about spending and accounting practices at the office; and

WHEREAS, the state is also demanding that POET return \$1.8 million in unspent grant money dating back to 2007; and

WHEREAS, the state is cutting off the county's direct access to grant money for POET's summer job program for youth, directing administrators to go through a rigorous reimbursement program through the state; and

WHEREAS, ~~POET's former financial manager was sentenced to four years in prison earlier this year after pleading guilty to stealing more than \$100,000 from the program; and~~

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WHEREAS, in 2008, three former POET employees were charged with conspiring with two ministers to siphon more than \$2 million from banks and taxpayers for sham training, according to prosecutors; and

WHEREAS, state officials say they are not trying to shut the doors on POET but would like to push it toward more responsible management.

NOW, THEREFORE, BE IT RESOLVED, that the President and Cook County Board of Commissioners promptly hold a meeting of the appropriate committee to review the program and the allegations against it so that it can be run as intended.

***Referred to the Workforce, Job Development and Training Opportunities Committee as amended on 09-1-09.**

302435 RESOLUTION TO EVALUATE AND DISCUSS THE PRESIDENT'S OFFICE OF EMPLOYMENT TRAINING (P.O.E.T.) (PROPOSED RESOLUTION). Submitting a Proposed Resolution sponsored by Earlean Collins, County Commissioner.

PROPOSED RESOLUTION

WHEREAS, Cook County is a home rule unit of local government pursuant to Article VII, Section 6 (a) of the 1970 Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, on August 14, 2009 the President's Office of Employment Training ("P.O.E.T.") received written communication from the Department of Commerce and Economic Opportunity ("DCEO") that access to cash for Grant 08-762007 had been suspended; and

WHEREAS, while DCEO acknowledges that P.O.E.T. continues to make progress in some areas of program management and administration, they note that P.O.E.T. needs to be more aggressive in four major areas: (1) Service Providers; (2) Program Monitoring; (3) Financial Management; and (4) Reorganization of the Labor Workforce Investment Board ("LWIB") and County Board oversight; and

WHEREAS, P.O.E.T. is a vital part of Cook County's ability to provide necessary job training and placement services to residents of south and west suburban Cook County and therefore it is imperative that P.O.E.T. come into compliance with both Federal and State guidelines to ensure continuous funding.

NOW, THEREFORE, BE IT RESOLVED, that this Board conduct a public hearing on September 9, 2009 to discuss and evaluate P.O.E.T.'s compliance with State and Federal guidelines.

***Referred to the Workforce, Job Development and Training Opportunities Committee on 09-1-09.**

Commissioner Gorman, seconded by Commissioner Schneider, moved to receive and file Communication Nos. 302413 as amended and 302435. The motion carried.

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Chairman Collins stated the purpose of the meeting was to ascertain a better understanding of the federal, state and local policies as they pertain to the Congress' intended goals for workforce development programs. It has been alleged that the President's Office of Employment Training (P.O.E.T.) in Cook County was not in compliance with the state's monitoring requirements. The role of the State of Illinois is to monitor the P.O.E.T. supportive service program, determine appropriate services areas and provide recommendations to the P.O.E.T. program (Cook County).

Chairman Collins stated that Mr. Warren Ripley (Director, Illinois Department of Commerce and Economic Opportunity) and Ms. Theresa McMahon (Deputy Director, Illinois Department of Commerce and Economic Opportunity), have been very critical of P.O.E.T. services, and were invited to speak at the committee meeting and provide an update on the federal stimulus package as it relates to workforce development programs. P.O.E.T. had anticipated there would be difficulties with receiving the proper paperwork to implement the youth jobs program for summer employment. Chairman Collins predicted there would be problems in Illinois and the nation due to the federal government's time frame allotted. In spite of the limitations, P.O.E.T. hired youth for 2009 summer jobs.

Mr. Albert Pritchett, Workforce Investment Board, Oversight member stated the role of P.O.E.T. is training and employment of its participants. The agency's responsibility is not to keep agencies in business that is not performing. One problem that P.O.E.T. experiences is the south and west suburbs have limited job opportunities. P.O.E.T. needs commitments from businesses, at minimum, to assist the agency to improve the employment and training programs.

Mr. Charles Jenrich, Chairman of the Cook County Workforce Investment Board, stated his belief that P.O.E.T.'s Workforce Board, (CCWIB) has been falsely regarded as a rubber stamp board by the State of Illinois. Since Karen Crawford has joined P.O.E.T., she has been subject to provided more oversight. Mr. Jenrich stated he was the Dean at Prairie State College and there were comments regarding the position being a conflict of interest, so he retired. P.O.E.T. has continued to provide the type of services that have gotten P.O.E.T. commendations and incentives along the way. The board has successfully administered its responsibilities. The workforce investment board should be allowed to continue functioning in the manner that was intended in the Workforce Investment Act. It is his sincere effort to run the board in a professional manner and to resolve any issues that are proposed by the State of Illinois.

Karen S. Crawford, (Director, P.O.E.T.) stated the program provides significant services for individuals located in the south and west suburban Cook County. (See attachment #1.)

Chairman Collins inquired about the number of jobs that were available for the summer program?

Ms. Crawford responded that system-wide over 4,624 applications were received and 1,200 positions were filled.

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Chairman Collins stated Cook County does not receive the grant verification documents that are needed to forward them to the Comptroller's office; so the Comptroller cannot process any financial claims. Therefore, that lag time delays the financial process. The program starts July 1st but Cook County does not start the program and approve it until September – sometimes October, because the State does not send necessary documentation to the County for inclusion on the Board agenda. The stimulus grant was awarded in February 2009. However, the County started the program after the State released the grant documents in May. So, if you think about 4000 applicants, these individuals still need to be processed to get the job and they still have to be notified that they have gotten jobs. Further the State's direction was not to use stimulus funding for staff and infrastructure so P.O.E.T had limited means to deal with that kind of volume.

In addition, the formula grant is a two year program where the federal government stipulated the 80% of the funding should be spent in the first year of the program. If the funding was not spent, the State would lose the funding and the federal government would be sent to another state. So with that kind of pressure, the program is doomed for failure.

Commissioner Sims inquired about the letters received from the State of Illinois regarding the four benchmarks and the hiring of personnel.

Ms. Crawford responded the State of Illinois has alleged that P.O.E.T. does not have an adequate number of qualified staff to manage the financial function. The State of Illinois recommended the agency hire a certified public accountant as financial director, a fiscal manager, a comptroller and up to 4 qualified accountants or bookkeepers. The reality is all those positions are filled and are functioning. The State of Illinois assessment of their qualifications seems to be the issue. Ms. Crawford stated that P.O.E.T has a seventeen year P.O.E.T veteran as the fiscal director with federal funding expertise, a fiscal manager that is a twenty-four year veteran at P.O.E.T and four bookkeeper positions. The letter refers to an indictment or the State of Illinois assessment of staff's qualification versus positions not existing or functioning. Those positions do in fact function in P.O.E.T.

Commissioner Gorman inquired about the certification of the staff.

Ms. Crawford responded the fiscal director possesses a degree in computer technology which is significant to P.O.E.T. There is an accountant who is a college graduate. One bookkeeper came to P.O.E.T with experience from one of P.O.E.T service provider agencies and the other bookkeeper is a graduate of University of Chicago with a master's degree in economics. Finally, the last bookkeeper is an experienced P.O.E.T employee. Further, P.O.E.T has two CPA's on staff.

Commissioner Daley inquired on the number of meetings the Workforce Investment Board schedules.

Mr. Jenrich responded the Workforce Investment Board meets nine times a year as a full board.

Commissioner Daley stated that the CCWIB meets more often the State Board and that the last time the State was in trouble with the USDOL they seemed to focus unfairly on the Cook County. This appears personal and the President should probably reach out to the Governor on the issue of P.O.E.T.

Commissioners Beavers inquired as to the payment of the summer jobs for the youth.

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Ms. Crawford replied the majority of the youth came to the orientation without all the required documentation for payroll processing. All the young people received their paychecks.

Commissioner Gainer inquired to the validity of the State of Illinois' comments.

Ms. Crawford replied there are four benchmarks remaining of the original ten given to complete. The letter dated July 29 affords P.O.E.T ninety days before the local area is reorganized by the Governor. It is P.O.E.T's intention to meet all remaining benchmarks within the ninety day period, however the State will assess if they have been completed to their satisfaction. Also, in the letter there is a requirement that all invoices be submitted in the beginning of August and using software provided by the State of Illinois; yet it is September 9th and the software has not been received.

Chairman Collins, Vice Chairman Schneider, Commissioners Daley and Gorman voiced their disappointment in the State of Illinois not appearing today.

Chairman Collins asked the Secretary to the Board to call upon the registered public speakers, in accordance with Cook County Code, Sec. 2-108(dd):

PUBLIC SPEAKERS

- 1) George Blakemore – Concerned Citizen
- 2) Michael Neal – Youth Committee Workforce Investment Board
- 3) Jack Fitzpatrick - CEO, Employment and Employer Services
- 4) Rachel Romo – Executive Director, Central States SER

Commissioner Gorman, seconded by Vice Chairman Schneider, moved to adjourn the meeting. The motion carried and the meeting was adjourned.

**COMMITTEE RECOMMENDS THE FOLLOWING ACTION WITH REGARD TO THE MATTER
NAMED HEREIN:**

Communication Number 302413	Receive and File
Communication Number 302435	Receive and File

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Respectfully submitted,

Committee on Workforce, Job Development
and Training Opportunities

Earlean Collins, Chairman

Attest:

Matthew B. DeLeon, Secretary

The complete audio recording of this meeting is available in the Office of the Secretary to the Board, 118 North Clark Street, Room 567, Chicago, IL 60602.